

Message Text

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PAGE 01 LIMA 07547 232257Z
ACTION EB-08

INFO OCT-01 ARA-10 ISO-00 AID-05 CIAE-00 COME-00
FRB-03 INR-10 NSAE-00 ICA-11 TRSE-00 XMB-02
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TO SECSTATE WASHDC PRIORITY 1551

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E.O. 11652: N/A
TAGS: EFIN PE
SUBJ: PERU'S DEBT RESCHEDULING

REF: LIMA 7418

1. MINISTER OF ECONOMY JAVIER SILVA RUETE HAS SENT ME A LETTER DATED AUGUST 23 RECAPITULATING VARIOUS MATTERS HE HAS RAISED IN OUR RECENT CONVERSATIONS, INCLUDING DEBT RESCHEDULING. THE PERTINENT PARAGRAPHS ON THIS SUBJECT READ AS FOLLOWS IN INFORMAL TRANSLATION:

BEGIN QUOTE -

REGARDING THE BALANCE OF PAYMENTS, DEPOSITS WERE OBTAINED FROM CENTRAL BANKS IN THE AMOUNT OF \$85 MILLION, A ROLLOVER OPERATION OF APPROXIMATELY \$185 MILLION WAS COMPLETED LAST MONTH WITH THE INTERNATIONAL BANKS, AND IT HAS BEEN AGREED WITH THE GOVERNMENT OF THE USSR TO RESTRUCTURE MATURITIES FALLING DUE IN 1978, 1979 AND 1980 TO A TOTAL OF APPROXIMATELY \$144 MILLION.

IN ADDITION, NEGOTIATIONS HAVE BEEN CONCLUDED
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FOR A NEW STANDBY AGREEMENT WITH THE INTERNATIONAL MONETARY FUND -- AN AGREEMENT WHICH SHOULD BE APPROVED BY ITS BOARD IN THE COMING MONTH OF SEPTEMBER.

WITHIN THIS PLAN OF REORDERING, WHICH BECAUSE OF THE NATURE OF THE PROBLEM MUST BE ADJUSTED TO A

GREATER PERIOD THAN THE CURRENT BUDGET YEAR, IT IS NECESSARY TO RESTRUCTURE MATURITIES FALLING DUE IN THE YEARS 1978 AND 1979 OF CREDITS PROVIDED BY OFFICIAL AGENCIES AND GOVERNMENTS AND SUPPLIER LOANS WITH EXPORT GUARANTEES, THE PRINCIPAL OF WHICH REACHES APPROXIMATELY \$270 MILLION AND \$285 MILLION IN THOSE RESPECTIVE YEARS. IN ORDER TO ACHIEVE THIS OBJECTIVE IT IS NECESSARY TO CONVOKE THE PARIS CLUB AND TO ASK FOR THE COLLABORATION OF ALL THE CREDITOR COUNTRIES IN ORDER TO AGREE ON THE RESTRUCTURING OF THESE MATURITIES UNDER CONDITIONS WHICH WILL FACILITATE THE SURMOUNTING OF OUR CURRENT DIFFICULTIES.

WITH REGARD TO THE ABOVE WE HEREBY FORMALLY REQUEST THE PARTICIPATION OF YOUR COUNTRY IN THIS MEETING WHICH SHOULD TAKE PLACE TOWARD THE END OF THE COMING MONTH OF OCTOBER IN THE CAPITAL OF FRANCE, AN OCCASION AT WHICH IN ADDITION TO THE REQUEST FOR RESTRUCTURING, WE WILL PRESENT AN INVESTMENT PROGRAM FOR THE YEARS AHEAD. END QUOTE.

2. I WOULD APPRECIATE THE DEPARTMENT'S GUIDANCE IN PREPARING A FORMAL RESPONSE TO THIS SECTION OF THE MINISTER'S LETTER.

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3. THE REMAINDER OF THE LETTER DEALS WITH BILATERAL ASSISTANCE AND WILL BE THE SUBJECT OF A SEPTTEL. SHLAUDEMAN

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NNN

Message Attributes

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